GENERAL GOVERNMENT Kentucky Board of Cosmetology (Amendment)

201 KAR 12:260. Fees.

RELATES TO: KRS 317A.050, 317A.062[, 317B.020, 317B.025, 317B.030, 317B.040] STATUTORY AUTHORITY: KRS 317A.062[, 317B.020]

NECESSITY, FUNCTION, AND CONFORMITY: KRS 317A.062 [and 317B.020] requires[require] the board to promulgate administrative regulations establishing a reasonable schedule of fees and charges for examinations[,] and the issuance, renewal, and restoration of licenses and permits[, and renewal of licenses]. This administrative regulation establishes a fee schedule for applications, permits, and licenses issued by the board[fees relating to cosmetology, esthetics, and nail technology].

```
Section 1. The initial license fees shall be as follows:
   (1)[Apprentice cosmetologist - twenty-five (25) dollars:
   (2) Cosmetologist - fifty (50) dollars[twenty-five (25) dollars];
   (2)[(3)] Nail technician - fifty (50) dollars[twenty-five (25) dollars];
   (3)[(4)] Esthetician - fifty (50) dollars[seventy-five (75) dollars;
   (5) Apprentice instructor - thirty-five (35) dollars 1:
   (4)[<del>(6)</del>] Cosmetology instructor - fifty (50) dollars;
   (5)[<del>(7)</del>] Esthetic instructor - fifty (50) dollars[$100];
   (6) Nail Technology instructor - fifty (50) dollars;
   (7)[<del>(8)</del>] Beauty salon - $100[thirty-five (35) dollars]:
   (8)[<del>(9)</del>] Nail salon - $100[thirty-five (35) dollars];
   (9)[<del>(10)</del>] Esthetic salon - $100[<del>$125;</del>
   (11) Esthetic independent contractor -$125];
   (10)[(12) Cosmetology] School - $1,500;[(13) Student enrollment permits - fifteen (15) dol-
lars:1
   (11)[<del>(14)</del>] School [of cosmetology,] transfer of ownership - $1,500;
   (12)[(15)] Salon transfer of ownership - $100;[School manager change - $250;]
   (13)[(16)] Limited[Threading] facility permit - $100[twenty-five (25) dollars];
  (14)[(17)] Threading permit - fifty (50) dollars[twenty (20) dollars];[and]
   (15) Lash Extension Permit - fifty (50) dollars; and
   (16) Makeup Artistry Permit - fifty (50) dollars[(18) Out of state endorsement application fee
<del>- $100</del>].
   Section 2. The [annual] renewal license fees shall be as follows:
   (1)[Apprentice cosmetologist - twenty (20) dollars;
   (2) Cosmetologist - fifty (50) dollars[twenty (20) dollars];
   (2)[(3)] Nail technician - fifty (50) dollars[twenty (20) dollars];
   (3)[4)] Esthetician - fifty (50) dollars[-
   (5) Apprentice instructor - twenty-five (25) dollars];
```

(4)[(6)] Cosmetology instructor - fifty (50) dollars[thirty-five (35) dollars]; (5)[(7)] Esthetic instructor - fifty (50) dollars[seventy-five (75) dollars];

(6) Nail technology instructor - fifty (50) dollars; (7)[(8)] Beauty salon - \$100[twenty-five (25) dollars]; (8)[(9)] Nail salon - \$100[twenty-five (25) dollars];

- (9)[(10)] Esthetic salon \$100[seventy-five (75) dollars
- (11) Esthetic independent contractor seventy five (75) dollars];
- (10)[(12)][Cosmetology]School \$250[\$150];
- (11)[(13)] Limited[Threading] facility permit \$100[twenty-five (25) dollars];[and]
- (12)[(14)] Threading permit fifty (50) dollars;[twenty (20) dollars.]
- (13) Lash Extension Permit fifty (50) dollars; and
- (14) Makeup Artistry Permit fifty (50) dollars.

Section 3. Applications for examination <u>including retake applications[required by KRS Chapter 317A]</u> shall be accompanied by <u>a[an examination]</u> fee as follows:

- (1)[Apprentice cosmetologist seventy-five (75) dollars;
- (2) Cosmetologist seventy-five (75) dollars;
- (2)[(3)] Nail technician seventy-five (75) dollars;
- (3)[(4)] Esthetician seventy-five (75) dollars[\$125]; and
- (4)[(5) Cosmetology] Instructor seventy-five (75) dollars[\$100];[(6) Esthetic instructor \$125;
 - (7) Out-of-state cosmetologist \$120;
 - (8) Out-of-state esthetician -\$175;
 - (9) Out-of-state cosmetology instructor \$200; and
 - (10) Out-of-state esthetic instructor -\$250.

Section 4. The fees for retaking an examination or any portion of an examination that an applicant has not successfully completed shall be as follows:

- (1) Apprentice cosmetologist thirty-two (32) dollars;
- (2) Cosmetologist thirty-two (32) dollars;
- (3) Nail technician thirty-two (32) dollars;
- (4) Esthetician \$125;
- (5) Cosmetology instructor fifty (50) dollars;
- (6) Esthetic instructor \$125;
- (7) Out-of-state cosmetologist sixty (60) dollars;
- (8) Out-of-state esthetician \$175;
- (9) Out-of-state cosmetology instructor \$100; and
- (10) Out-of-state esthetic instructor \$250.

Section 5. The fee for the restoration of an expired license where the period of expiration does not exceed five (5) years from date of expiration, shall be as follows:

- (1) Apprentice cosmetologist seventy-five (75) dollars;
- (2) Cosmetologist seventy-five (75) dollars;
- (3) Nail technician seventy-five (75) dollars;
- (4) Esthetician \$125;
- (5) Beauty salon seventy-five (75) dollars;
- (6) Nail salon seventy-five (75) dollars;
- (7) Esthetic salon \$150:
- (8) Esthetic independent contractor \$150;
- (9) Cosmetology school \$750;
- (10) Apprentice Instructor seventy-five (75) dollars;
- (11) Cosmetology Instructor \$100; and
- (12) Esthetic instructor \$150.]

Section 4[6]. Miscellaneous fees shall be as follows:

- (1) Demonstration permit fifty (50) dollars;
- (2) Certification of a license or school hours twenty (20) dollars;
- (3) Duplicate license twenty-five (25) dollars;
- (4)[Beauty or nail] Salon[owner,] manager[, or location] change fifty (50) dollars[thirty-five (35) dollars];[and]
- (5)[Esthetics salon owner, manager, or location change \$125.] School manager change \$125:
 - (6) Enrollment correction fee fifteen (15) dollars;
 - (7) Out of state endorsement application fee \$100;
 - (8) Apprentice instructor fifty (50) dollars;
 - (9) Student enrollment permit twenty-five (25) dollars;
 - (10) Individual license restoration Fee fifty (50) dollars;
 - (11) Salon license or limited facility permit restoration fee \$100; and
 - (12) School license restoration fee \$500.

R. KAY SWANNER, Board Chair

APPROVED BY AGENCY: April 6, 2018 FILED WITH LRC: April 13, 2018 at 9 a.m.

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on May 24, 2018, at 10:30 a.m., at the Kentucky Board of Cosmetology. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 11:59 p.m. on May 31, 2018. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Julie M. Campbell, Board Administrator, 111 St. James Ct. Ste A. Frankfort, Kentucky 40601, phone (502) 564-4262, fax (502) 564-0481, email julie.campbell@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Julie M. Campbell

- (1) Provide a brief summary of:
- (a) What this administrative regulation does: This administrative regulation establishes a fee schedule for all applications, permits, and licenses issued by the Kentucky Board of Cosmetology (KBC).
- (b) The necessity of this administrative regulation: This administrative regulation is necessary to set out a fee schedule for all persons and entities seeking a permit or license from the KBC.
- (c) How this administrative regulation conforms to the content of the authorizing statutes: This amendment adjusts the existing fees for those permits and licenses set forth in KRS Chapter 317A.
- (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This amendment adjusts existing fees for the issuance, renewal, and restoration of licenses and permits, board exams, and other miscellaneous fees of the KBC.

- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
- (a) How the amendment will change this existing administrative regulation: The KBC is entirely self-funded through fees it collects for the various applications, permits, and licenses it offers to the public. As these fees have not been changed in 14 years, they no longer are commensurate with the expenses the KBC incurs to provide these services. Additionally, implementation of national testing, recently authorized by the passage of House Bill 260, necessitates a reasonable fee increase.
- (b) The necessity of the amendment to this administrative regulation: This amendment is necessary to fund implementation of national testing and the KBC's anticipated operating cost increase. The adjusted fees in this amendment represent a midpoint compared to fee schedules in surrounding states.
- (c) How the amendment conforms to the content of the authorizing statutes: This amendment sets forth all KBC fees based on the current statutory requirements in KRS Chapters 317A.
- (d) How the amendment will assist in the effective administration of the statutes: This amendment provides a single administrative regulation setting out all applicable fees for applications, permits, and licenses issued by the KBC.
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: There are approximately 38,000 licensees, permittees, and students affected by this amendment.
- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
- (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: This amendment does not change any existing requirement, or create a new requirement. Rather, it amends the previous fee schedule contained in the existing administrative regulation.
- (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): An adjustment to fees is necessary to implement national testing and to properly fund the KBC's operating costs in anticipation of new licensing procedures brought about by the passage of House Bill 260. The existing fees have not been changed in 14 years and this amendment represents approximately a 2.5% per annum increase when calculated over 14 years. These adjusted fees represent a midpoint when compared to fees in the surrounding states.
- (c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Prospective and current licensees will benefit from national exams being offered at multiple sites throughout the state. Agency funds will be used to implement online licensing and renewals, which will result in faster processing times for the public.
- (5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:
 - (a) Initially: No additional funds are necessary initially to implement this amendment.
- (b) On a continuing basis: No additional funds are necessary on an ongoing basis to implement this amendment.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The KBC is entirely self-funded through fees it collects for permits and licenses. There are no funds necessary to implement this amendment as it updates a fee schedule for applications, permits, and licenses.
 - (7) Provide an assessment of whether an increase in fees or funding will be necessary to

implement this administrative regulation, if new, or by the change if it is an amendment: There is no funding needed, as this amendment and the existing administrative regulation do not implement any action or requirement.

- (8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This amendment sets forth fees for licensing based on the current statutory requirements found in KRS Chapters 317A. This amendment does establish new fees for new licenses and permits created by the passage of House Bill 260. There are also increases to existing fees for certain applications, permits, and licenses already issued by the KBC.
- (9) TIERING: Is tiering applied? Tiering is not applied as the requirements of this amendment apply equally to all current and prospective licensees.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

- (1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Kentucky Board of Cosmetology (KBC).
- (2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 317A.062.
- (3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
- (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? The KBC is a self-funded agency, deriving its funding solely from the fees it collects for permits and licenses. This amendment modifies the fee schedule in the existing administrative regulation. It is expected to result in an increase in revenue during the first year. Increased revenue is necessary to fund national testing and to implement new permits and licenses brought about by the passage of House Bill 260. Finally, increased funding is necessary for new initiatives such as offering fully online applications and renewals.
- (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This amendment is expected to result in increased revenue in subsequent years, which will be used to fund new initiatives.
- (c) How much will it cost to administer this program for the first year? No additional cost is anticipated during the first year.
- (d) How much will it cost to administer this program for subsequent years? No additional cost is anticipated for subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): Increase.

Expenditures (+/-): No impact.

Other Explanation: This amendment updates fees and does not involve any expenditures. As explained above, the fee adjustments in this amendment are anticipated to result in increased revenue. The amount of increased revenue is dependent on the number of applicants for examinations, permits, and licenses. As some of the permits and licenses are newly established by House Bill 260, the expected amount of increased revenue for those new permits and licenses is currently unknown. Taking into account additional expenditures incurred from new licenses, permits, and national testing, it is anticipated that the increase in fees for existing ex-

aminations, permits,	and licenses will result	in an approximate	10-20% increase in revenue.